



The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

SPONSOR'S REBUTTAL TO FISCAL NOTE

House Bill Number: HB0162 Date Prepared: 1/21/15

Short Title: **Revise laws related to the Montana Digital Academy**

Sponsor: **Nick Schwaderer (HD 14)**

Generally, why do you disagree with the fiscal note?

There is no substantiated data for the enrollment decline assumption, the FTE cost assumption is inaccurate, the bill does not turn MTDA into a full functioning diploma-issuing High School.

Specifically, what in the fiscal not do you feel is flawed?

(Describe specific assumptions, calculations, technical issues, etc.)

Assumption 8 (p. 2): 25% decline in enrolment has no backing data. As schools are paid roughly \$375 (just counting ANB) per credit hour to educate the child, a \$40-80 fee is still a staggering cost savings. With the 20% increase in pay for educators, the recruiting and retention of quality faculty will rise, and with the increase in quality courses enrollment will rise. Assuming perfect elasticity with increase in pay, enrollment will grow 20%.

Assumption 9 (p. 2): Schools currently interact with a central page in order to enroll students in courses. To access the course and pay the fees the MTDA would need to wrap-in a payment method on their homepage. This simple change in code could be performed by a CS student at the University of Montana to add to their portfolio, or on the private market at a cap of \$100/hr implementing and testing this change in code should not take more than 20 hours. Aggregate for the year, an average of no more than 4 hours/week (some would be higher, some lower) would be 0.100 FTE. Tasks would include following up with schools on payment, although implementing a paywall system for course access would effectively eliminate most of the bureaucracy. At a competitive rate

HB 162

of \$15/hr (which could be hired through the University) the annual overhead would be \$3,000 with a OTO cost of \$2,000.

Long-Term Impacts: See point one.

Technical notes: The bill does not change the current structure whereby all students are enrolled and belonging to a local physical brick and mortar school district. The bill does not require MTDA to offer diplomas, as it is a High School. The language only ensures that the MTDA continues to offer courses following guidelines as handed down by the Board of Public Education in Montana.

What is your estimate of the fiscal impact?

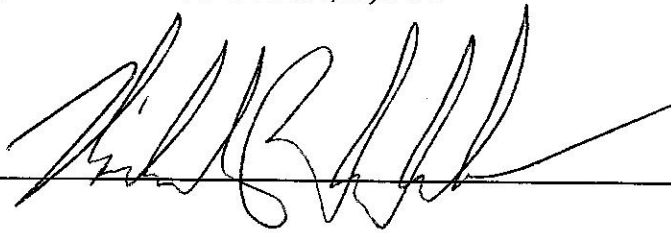
2016 : *Fee revenue: \$729,000 -- OTO; \$2,000 – 0.100 FTE: \$3,000*

2017: *Fee revenue: \$738,000 – 0.100 FTE: \$3,000*

2018: *Fee revenue: \$747,000 – 0.100 FTE: \$3,000*

2019: *Fee revenue: \$756,000 – 0.100 FTE: \$3,000*

Sponsor Signature: _____

A handwritten signature in black ink, appearing to be "Phil B. Hall", is written over a horizontal line.